

**CIMB ISLAMIC BANK BERHAD**  
**Company No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021**

	Note	The Group		The Bank	
		30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
<b>ASSETS</b>					
Cash and short term funds	A6	13,133,429	12,577,466	13,133,383	12,577,420
Deposits and placements with banks and other financial institutions	A6	349,714	50,046	349,714	50,046
Financial investments at fair value through profit or loss	A7	6,936,018	5,034,429	6,936,018	5,034,429
Debt instruments at fair value through other comprehensive income	A8	4,575,739	3,670,899	4,575,739	3,670,899
Debt instruments at amortised cost	A9	8,891,698	8,501,654	8,891,698	8,501,654
Islamic derivative financial instruments	A27(i)	321,341	522,847	321,341	522,847
Financing, advances and other financing/loans	A10	86,512,802	84,916,816	86,512,802	84,916,816
Other assets	A11	840,802	412,506	840,802	573,186
Tax recoverable		-	3,007	-	3,007
Deferred taxation		167,727	85,777	167,727	85,777
Amount due from holding company and ultimate holding company		495,593	311,109	495,593	311,109
Amount due from related companies		114	167	114	167
Investment in subsidiaries		-	-	11	11
Property, plant and equipment		1,085	1,348	1,085	1,348
Right-of-use assets		1,747	2,220	1,747	2,220
Intangible assets		28,595	56,112	28,595	56,112
Goodwill		136,000	136,000	136,000	136,000
<b>TOTAL ASSETS</b>		<b>122,392,404</b>	<b>116,282,403</b>	<b>122,392,369</b>	<b>116,443,048</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A12	96,727,403	96,302,909	96,727,403	96,649,535
Investment accounts of customers	A13	7,273,574	2,678,870	7,273,574	2,678,870
Deposits and placements of banks and other financial institutions	A14	2,954,976	2,799,014	2,954,976	2,799,014
Collateralised Commodity Murabahah		331,433	299,236	331,433	299,236
Investment accounts due to designated financial institutions	A15	4,449,939	4,751,241	4,449,939	4,751,241
Financial liabilities designated at fair value through profit or loss	A16	631,241	71,610	631,241	71,610
Islamic derivative financial instruments	A27(i)	324,308	557,847	324,308	557,847
Amount due to related companies		117	8,643	117	8,643
Other liabilities	A17	1,101,966	470,405	1,101,966	469,317
Lease liabilities		1,913	2,365	1,913	2,365
Provision for taxation		21,730	3,000	21,730	3,000
Sukuk		-	186,155	-	-
Subordinated Sukuk	A18	1,103,999	1,118,336	1,103,999	1,118,336
<b>TOTAL LIABILITIES</b>		<b>114,922,599</b>	<b>109,249,631</b>	<b>114,922,599</b>	<b>109,409,014</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holder of the Bank</b>					
Ordinary share capital		1,000,000	1,000,000	1,000,000	1,000,000
Reserves		6,049,805	5,612,772	6,049,770	5,614,034
		7,049,805	6,612,772	7,049,770	6,614,034
Perpetual preference shares		420,000	420,000	420,000	420,000
<b>TOTAL EQUITY</b>		<b>7,469,805</b>	<b>7,032,772</b>	<b>7,469,770</b>	<b>7,034,034</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>122,392,404</b>	<b>116,282,403</b>	<b>122,392,369</b>	<b>116,443,048</b>
<b>RESTRICTED AGENCY INVESTMENT ACCOUNT (*)</b>	A29	<b>11,795,706</b>	8,730,980	<b>11,795,706</b>	8,730,980
<b>TOTAL ISLAMIC BANKING ASSET</b>		<b>134,188,110</b>	125,013,383	<b>134,188,075</b>	125,174,028
<b>COMMITMENTS AND CONTINGENCIES</b>	A27(ii)	<b>56,992,570</b>	51,459,641	<b>56,992,570</b>	51,459,641
<b>Net assets per ordinary share attributable to owners of the Parent (RM)</b>		<b>7.05</b>	6.61	<b>7.05</b>	6.61

\* The disclosure is in accordance with the requirements of Bank Negara Malaysia guideline on Financial Reporting for Islamic Banking Institutions.  
The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020.

**CIMB ISLAMIC BANK BERHAD**  
**Company No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF INCOME**  
**FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2021**

	Note	The Group			
		3rd Quarter Ended		Nine Months Ended	
		30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Income derived from investment of depositors' funds and others	A19	873,502	955,970	2,708,857	2,969,640
Income derived from investment of investment account	A20	106,856	83,734	252,603	292,760
Income derived from investment of shareholder's funds	A21	143,479	77,361	443,290	281,488
Modification loss		(73,191)	(459)	(73,191)	(185,804)
Expected credit losses on financing, advances and other financing/loans	A22(a)	(113,265)	(155,254)	(295,007)	(310,087)
Expected credit losses made for commitments and contingencies		(19,171)	(1,418)	(38,184)	(19,156)
Other expected credit losses	A22(b)	2,591	(550)	(1,217)	(1,270)
<b>Total distributable income</b>		<b>920,801</b>	959,384	<b>2,997,151</b>	3,027,571
Income attributable to depositors and others	A23	(396,582)	(465,511)	(1,254,698)	(1,642,766)
Profit distributed to investment account holder	A24	(56,728)	(41,268)	(136,308)	(182,046)
<b>Total net income</b>		<b>467,491</b>	452,605	<b>1,606,145</b>	1,202,759
Personnel expenses	A25	(6,323)	(5,177)	(15,963)	(16,607)
Other overheads and expenditures	A26	(313,950)	(208,378)	(869,822)	(680,208)
<b>Profit before taxation and zakat</b>		<b>147,218</b>	239,050	<b>720,360</b>	505,944
Taxation		(44,223)	(52,632)	(182,625)	(112,931)
<b>Profit for the financial period</b>		<b>102,995</b>	186,418	<b>537,735</b>	393,013

**CIMB ISLAMIC BANK BERHAD**  
**Company No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2021**

	The Group			
	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the financial period</b>	<b>102,995</b>	186,418	<b>537,735</b>	393,013
<b>Other comprehensive income/(expense):</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(2)	-	(2)	30
Debt instruments at fair value through other comprehensive income	<b>(19,263)</b>	7,528	<b>(100,939)</b>	21,297
- Net (loss)/gain from change in fair value	<b>(12,790)</b>	44,896	<b>(88,744)</b>	113,890
- Realised gain transferred to statement of income on disposal	<b>(9,352)</b>	(35,567)	<b>(45,743)</b>	(87,533)
- Changes in expected credit losses	<b>(2,435)</b>	438	<b>1,271</b>	1,266
- Income tax effects	<b>5,314</b>	(2,239)	<b>32,277</b>	(6,326)
Other comprehensive income for the period, net of tax	<b>(19,265)</b>	7,528	<b>(100,941)</b>	21,327
<b>Total comprehensive income for the financial period</b>	<b>83,730</b>	193,946	<b>436,794</b>	414,340
Earnings per share (sen)	B3	<b>10.30</b>	18.64	<b>53.77</b>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020.

**CIMB ISLAMIC BANK BERHAD**  
**Company No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF INCOME**  
**FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2021**

	Note	The Bank			
		3rd Quarter Ended		Nine Months Ended	
		30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Income derived from investment of depositors' funds and others	A19	<b>873,502</b>	955,970	<b>2,708,857</b>	2,969,640
Income derived from investment of investment account	A20	<b>106,856</b>	83,734	<b>252,603</b>	292,760
Income derived from investment of shareholder's funds	A21	<b>143,480</b>	77,361	<b>443,790</b>	281,954
Modification loss		<b>(73,191)</b>	(459)	<b>(73,191)</b>	(185,804)
Expected credit losses on financing, advances and other financing/loans	A22(a)	<b>(113,265)</b>	(155,254)	<b>(295,007)</b>	(310,087)
Expected credit losses made for commitments and contingencies		<b>(19,171)</b>	(1,418)	<b>(38,184)</b>	(19,156)
Other expected credit losses	A22(b)	<b>2,591</b>	(550)	<b>(1,217)</b>	(1,270)
<b>Total distributable income</b>		<b>920,802</b>	959,384	<b>2,997,651</b>	3,028,037
Income attributable to depositors and others	A23	<b>(397,979)</b>	(465,496)	<b>(1,256,551)</b>	(1,643,161)
Profit distributed to investment account holder	A24	<b>(56,728)</b>	(41,268)	<b>(136,308)</b>	(182,046)
<b>Total net income</b>		<b>466,095</b>	452,620	<b>1,604,792</b>	1,202,830
Personnel costs	A25	<b>(6,323)</b>	(5,177)	<b>(15,963)</b>	(16,607)
Other overheads and expenditures	A26	<b>(313,943)</b>	(208,326)	<b>(869,766)</b>	(680,093)
<b>Profit before taxation and zakat</b>		<b>145,829</b>	239,117	<b>719,063</b>	506,130
Taxation		<b>(44,223)</b>	(52,632)	<b>(182,625)</b>	(112,931)
<b>Profit for the financial period</b>		<b>101,606</b>	186,485	<b>536,438</b>	393,199

**CIMB ISLAMIC BANK BERHAD**  
**Company No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2021**

**The Bank**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2021 RM'000</b>	<b>30 September 2020 RM'000</b>	<b>30 September 2021 RM'000</b>	<b>30 September 2020 RM'000</b>
<b>Profit for the financial period</b>	<b>101,606</b>	186,485	<b>536,438</b>	393,199
<b>Other comprehensive income/(expense):</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Fair value changes on financial liabilities designated at fair value attributable to own credit risk	(2)	-	(2)	30
<b>Items that may be reclassified subsequently to profit or loss</b>				
Debt instruments at fair value through other comprehensive income	(19,263)	7,528	(100,939)	21,297
- Net (loss)/gain from change in fair value	(12,790)	44,896	(88,744)	113,890
- Realised gain transferred to statement of income on disposal	(9,352)	(35,567)	(45,743)	(87,533)
- Changes in expected credit losses	(2,435)	438	1,271	1,266
- Income tax effects	5,314	(2,239)	32,277	(6,326)
Other comprehensive income for the period, net of tax	(19,265)	7,528	(100,941)	21,327
<b>Total comprehensive income for the financial period</b>	<b>82,341</b>	194,013	<b>435,497</b>	414,526
Earnings per share basis (sen)	B3	<b>10.16</b>	18.65	<b>53.64</b>

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**CIMB ISLAMIC BANK BERHAD**  
**Company No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

The Group	← Attributable to owners of the Parent →											
	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'000	Capital contribution by Ultimate Holding Company RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
<b>30 September 2021</b>												
<b>At 1 January 2021</b>	<b>1,000,000</b>	<b>31,312</b>	<b>(2,457)</b>	<b>458</b>	<b>213,032</b>	<b>-</b>	<b>1,225</b>	<b>-</b>	<b>5,369,202</b>	<b>6,612,772</b>	<b>420,000</b>	<b>7,032,772</b>
Profit for the financial period	-	-	-	-	-	-	-	-	537,735	537,735	-	537,735
Other comprehensive expense (net of tax)	-	(100,939)	-	-	-	(2)	-	-	-	(100,941)	-	(100,941)
- debt instruments at fair value through other comprehensive income	-	(100,939)	-	-	-	-	-	-	-	(100,939)	-	(100,939)
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	(2)	-	-	-	(2)	-	(2)
Total comprehensive income for the financial period	-	(100,939)	-	-	-	(2)	-	-	537,735	436,794	-	436,794
Share-based payment expense	-	-	-	-	-	-	561	539	-	1,100	-	1,100
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(861)	-	-	(861)	-	(861)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	(300)	539	-	239	-	239
Transfer to regulatory reserve	-	-	-	-	(213,032)	-	-	-	213,032	-	-	-
<b>At 30 September 2021</b>	<b>1,000,000</b>	<b>(69,627)</b>	<b>(2,457)</b>	<b>458</b>	<b>-</b>	<b>(2)</b>	<b>925</b>	<b>539</b>	<b>6,119,969</b>	<b>7,049,805</b>	<b>420,000</b>	<b>7,469,805</b>

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**CIMB ISLAMIC BANK BERHAD**  
**Company No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

← Attributable to owners of the Parent →

The Group	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve * RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'001	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
<b>30 September 2020</b>											
<b>At 1 January 2020</b>	1,000,000	22,839	(2,457)	458	513,533	(31)	1,231	4,575,241	6,110,814	220,000	6,330,814
Profit for the financial period	-	-	-	-	-	-	-	393,013	393,013	-	393,013
Other comprehensive income (net of tax)	-	21,297	-	-	-	30	-	-	21,327	-	21,327
- debt instruments at fair value through other comprehensive income	-	21,297	-	-	-	-	-	-	21,297	-	21,297
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	30	-	-	30	-	30
Total comprehensive income for the financial period	-	21,297	-	-	-	30	-	393,013	414,340	-	414,340
Share-based payment expense	-	-	-	-	-	-	1,013	-	1,013	-	1,013
Issuance new shares	-	-	-	-	-	-	-	-	-	200,000	200,000
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(907)	-	(907)	-	(907)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	106	-	106	200,000	200,106
Transfer to regulatory reserve	-	-	-	-	(513,533)	-	-	513,533	-	-	-
<b>At 30 September 2020</b>	<b>1,000,000</b>	<b>44,136</b>	<b>(2,457)</b>	<b>458</b>	<b>-</b>	<b>(1)</b>	<b>1,337</b>	<b>5,481,787</b>	<b>6,525,260</b>	<b>420,000</b>	<b>6,945,260</b>

\* The regulatory reserve held against expected losses is reduced to 0%, a Covid-19 related measure to drawdown prudential buffers as permitted by BNM.  
The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020.

CIMB ISLAMIC BANK BERHAD  
Company No: 200401032872 (671380-H)  
CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

The Bank	← Non-distributable						Distributable →					Total Equity RM'000
	Ordinary share capital RM'000	Fair value reserve- debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Own credit risk reserve RM'001	Share-based payment reserve RM'000	Capital contribution by Ultimate Holding Company RM'000	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	
<b>30 September 2021</b>												
At 1 January 2021	1,000,000	31,312	(2,457)	458	213,032	-	1,225	-	5,370,464	6,614,034	420,000	7,034,034
Profit for the financial period	-	-	-	-	-	-	-	-	536,438	536,438	-	536,438
Other comprehensive expense (net of tax)	-	(100,939)	-	-	-	(2)	-	-	-	(100,941)	-	(100,941)
- debt instruments at fair value through other comprehensive income	-	(100,939)	-	-	-	-	-	-	-	(100,939)	-	(100,939)
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	(2)	-	-	-	(2)	-	(2)
Total comprehensive income for the financial period	-	(100,939)	-	-	-	(2)	-	-	536,438	435,497	-	435,497
Share-based payment expense	-	-	-	-	-	-	561	539	-	1,100	-	1,100
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(861)	-	-	(861)	-	(861)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	(300)	539	-	239	-	239
Transfer to regulatory reserve	-	-	-	-	(213,032)	-	-	-	213,032	-	-	-
<b>At 30 September 2021</b>	<b>1,000,000</b>	<b>(69,627)</b>	<b>(2,457)</b>	<b>458</b>	<b>-</b>	<b>(2)</b>	<b>925</b>	<b>539</b>	<b>6,119,934</b>	<b>7,049,770</b>	<b>420,000</b>	<b>7,469,770</b>

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**CIMB ISLAMIC BANK BERHAD**  
**Company No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	← Non-distributable →					Distributable					
	Ordinary share capital RM'000	Fair value reserve-debt instruments at fair value through other comprehensive income RM'000	Merger reserve RM'000	Capital reserve RM'000	Regulatory reserve * RM'000	Own credit risk reserve RM'000	Share-based payment reserve RM'001	Retained earnings RM'000	Total RM'000	Perpetual preference shares RM'000	Total Equity RM'000
<b>The Bank</b>											
<b>30 September 2020</b>											
<b>At 1 January 2020</b>	1,000,000	22,839	(2,457)	458	513,533	(31)	1,231	4,576,294	6,111,867	220,000	6,331,867
Profit for the financial period	-	-	-	-	-	-	-	393,199	393,199	-	393,199
Other comprehensive income (net of tax)	-	21,297	-	-	-	30	-	-	21,327	-	21,327
- debt instruments at fair value through other comprehensive income	-	21,297	-	-	-	-	-	-	21,297	-	21,297
- fair value changes on financial liabilities designated at fair value attributable to own credit risk	-	-	-	-	-	30	-	-	30	-	30
Total comprehensive income for the period	-	21,297	-	-	-	30	-	393,199	414,526	-	414,526
Share-based payment expense	-	-	-	-	-	-	1,013	-	1,013	-	1,013
Issuance new shares	-	-	-	-	-	-	-	-	-	200,000	200,000
Shares released under Equity Ownership Plan	-	-	-	-	-	-	(907)	-	(907)	-	(907)
Total transactions with owners recognised directly in equity	-	-	-	-	-	-	106	-	106	200,000	200,106
Transfer to regulatory reserve	-	-	-	-	(513,533)	-	-	513,533	-	-	-
<b>At 30 September 2020</b>	1,000,000	44,136	(2,457)	458	-	(1)	1,337	5,483,026	6,526,499	420,000	6,946,499

\* The regulatory reserve held against expected losses is reduced to 0%, a Covid-19 related measure to drawdown prudential buffers as permitted by BNM.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020.

**CIMB ISLAMIC BANK BERHAD**  
**Company No: 200401032872 (671380-H)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	The Group		The Bank	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Profit before taxation and zakat	720,360	505,944	719,063	506,130
Adjustments for non-cash items	<b>(87,569)</b>	(23,077)	<b>(90,247)</b>	(29,169)
Operating profit before changes in working capital	<b>632,791</b>	482,867	<b>628,816</b>	476,961
Net changes in operating assets	<b>(4,458,161)</b>	(1,445,712)	<b>(4,297,481)</b>	(1,445,712)
Net changes in operating liabilities	<b>6,149,062</b>	6,005,588	<b>5,803,524</b>	5,943,332
Taxation paid	<b>(206,189)</b>	(110,675)	<b>(206,189)</b>	(110,675)
<b>Net cash generated from operating activities</b>	<b>2,117,503</b>	4,932,068	<b>1,928,670</b>	4,863,906
Cash flows from investing activities				
Profit income received from financial investments	<b>385,997</b>	125,768	<b>385,997</b>	125,768
Net purchase of financial investments	<b>(1,410,602)</b>	(107,197)	<b>(1,410,602)</b>	(107,197)
Net purchase of property, plant and equipment	<b>(51)</b>	(1,420)	<b>(51)</b>	(1,420)
Net purchase of intangible assets	<b>(585)</b>	(153)	<b>(585)</b>	(153)
Net cash flows (used in)/generated from investing activities	<b>(1,025,241)</b>	16,998	<b>(1,025,241)</b>	16,998
Cash flows from financing activities				
Profit expense paid on recourse obligation on loans and financing sold to Cagamas	-	360,362	-	360,362
Profit expense paid on Sukuk	<b>(2,833)</b>	(6,163)	-	-
Profit expense paid on subordinated Sukuk	<b>(47,650)</b>	(37,567)	<b>(47,650)</b>	(37,567)
Proceeds from issuance of preference shares	-	200,000	-	200,000
Redemption of recourse obligation on loans and financing sold to Cagamas	-	(400,003)	-	(400,003)
Redemption of Sukuk	<b>(186,000)</b>	(62,000)	-	-
Other financing activities	<b>(148)</b>	(443)	<b>(148)</b>	(443)
Net cash flows (used in)/generated from financing activities	<b>(236,631)</b>	54,186	<b>(47,798)</b>	122,349
<b>Net change in cash and cash equivalents</b>	<b>855,631</b>	5,003,252	<b>855,631</b>	5,003,253
Cash and cash equivalents at beginning of the financial period	<b>12,627,512</b>	7,832,117	<b>12,627,466</b>	7,832,071
Cash and cash equivalents at end of the financial period	<b>13,483,143</b>	12,835,369	<b>13,483,097</b>	12,835,324
<b>Cash and cash equivalents comprise :</b>				
Cash and short-term funds	<b>13,133,429</b>	12,735,302	<b>13,133,383</b>	12,735,257
Deposits and placements with banks and other financial institutions	<b>349,714</b>	100,067	<b>349,714</b>	100,067
<b>Cash and cash equivalents at end of the financial year</b>	<b>13,483,143</b>	12,835,369	<b>13,483,097</b>	12,835,324

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020*

## PART A - EXPLANATORY NOTES

### A1. Basis of preparation

- a) The unaudited condensed interim financial statements for the financial period ended 30 September 2021 have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, debt instruments at fair value through other comprehensive income, derivative financial instruments, non-current assets/disposal groups held for sale and financial liabilities designated at fair value through profit or loss, that have been measured at fair value.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements.

The unaudited condensed interim financial statements should be read in conjunction with the Group's and the Bank's audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2020.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2020, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 June 2020 and 1 January 2021:

- Amendments to MFRS 16 “COVID-19 Related Rent Concessions” (1 June 2020)
- Interest rate benchmark reform-Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16) (1 January 2021)

The adoption of the above amendments to published standards did not give rise to material financial impact to the Group's and the Bank's financial statements.

- b) The financial statements have been prepared against the backdrop of the ongoing Covid-19 pandemic. The beginning of the year saw a resurgence of the Covid-19 cases which led to the country implementing lockdown measures. As a consequence, country economic activity was disrupted Throughout this period, many financial institutions have provided economic stimulus and financing repayment programs, as Bank Negara Malaysia and the Malaysian Government have implemented fiscal measures to address market disruptions. More recently, with lower numbers and higher vaccination rates, economies are gradually opening up. However, economic headwinds have not fully abated, and with continuing uncertainties prevailing economy recovery is expected to be slow and uneven.

The Bank has supported its customers impacted by the economic downturn over the past year and continues to provide targeted assistance programs, as well as continuously monitor the extent of the impact of the Covid-19 pandemic as the potential disruptions and speed of recovery remain uncertain.

The preparation of unaudited condensed interim financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group and Bank's accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

### A2. Changes in estimates

There were no material changes to financial estimates made in respect of the current financial period that had previously been announced or disclosed other than those disclosed under the basis of preparation.

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A3. Issuance and repayment of debt equity securities**

a) During the period, Ziya Capital Bhd ("Ziya") undertook a full redemption of its Sukuk balance amounting to RM186 million. The securitisation transactions was completed on 23 July 2021.

b) On 21 September 2021, the Bank redeemed RM10 million Tier 2 Junior Sukuk issued from the RM5 billion Tier 2 Junior Sukuk Programme on the first call date.

**A4. Proposed dividend**

There were no dividends paid or proposed for the financial period ended 30 September 2021.

**A5. Significant events after the reporting period**

There were no significant events other than those disclosed under issuance and repayment of debt equity securities that had occurred between 30 September 2021 and the date of this announcement.

**A6. Cash and short-term funds and Deposits and placements with banks and other financial institutions**

As at 30 September 2021, the expected credit losses in deposit placements maturing within one month and deposits and placements with banks and other financial institutions are both RMNil respectively (2020: both RMNil respectively). The 12-month expected credit losses made in the income statement during the financial period is amounting to RMNil (2020: RMNil).

**A7. Financial assets at fair value through profit or loss**

**Money market instruments**

**Unquoted**

In Malaysia

Malaysian Government treasury bills	299,343	288,829
Islamic negotiable instruments of deposits	2,791,359	1,195,653
Islamic commercial papers	2,143,055	2,809,208
Government Investment Issues	818,286	396,416
Islamic Cagamas bonds	65,147	7,545
	<u>6,117,190</u>	<u>4,697,651</u>

**Unquoted securities**

In Malaysia

Corporate Sukuk	818,828	336,778
	<u>6,936,018</u>	<u>5,034,429</u>

**The Group and the Bank**  
**30 September 2021**      **31 December 2020**  
**RM'000**                      **RM'000**

PART A - EXPLANATORY NOTES (CONTINUED)

A8 Debt instruments at fair value through other comprehensive income

	The Group and the Bank	
	30 September 2021 RM'000	31 December 2020 RM'000
<b>Money market instruments</b>		
<b>Unquoted</b>		
<u>In Malaysia</u>		
Government Investment Issues	1,197,225	628,152
Islamic Cagamas bonds	5,197	57,150
Malaysian Government Sukuk	-	20,997
Islamic commercial papers	-	24,803
	<b>1,202,422</b>	<b>731,102</b>
<b>Unquoted securities</b>		
<u>In Malaysia</u>		
Corporate Sukuk	3,332,951	2,893,404
<u>Outside Malaysia</u>		
Corporate Sukuk	40,366	46,393
	<b>4,575,739</b>	<b>3,670,899</b>

**Expected credit losses movement for debt instruments at fair value through other comprehensive income:**

The following expected credit losses is not recognised in the statement of financial position as the carrying amount of debt instruments at fair value through other comprehensive income is equivalent to their fair value.

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses- not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
<b>The Group and the Bank</b>				
At 1 January 2021	1,914	-	-	1,914
<b>Total charge to Income Statement:</b>	<b>1,271</b>	<b>-</b>	<b>-</b>	<b>1,271</b>
New financial assets purchased	12,150	-	-	12,150
Financial assets that have been derecognised	(1,040)	-	-	(1,040)
Change in credit risk	(9,839)	-	-	(9,839)
At 30 September 2021	<b>3,185</b>	<b>-</b>	<b>-</b>	<b>3,185</b>

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses- not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
<b>The Group and the Bank</b>				
At 1 January 2020	1,749	99	-	1,848
Changes in expected credit losses due to transferred within stages:				
Transferred to Stage 1	117	(117)	-	-
	117	(117)	-	-
<b>Total charge to Income Statement:</b>	<b>48</b>	<b>18</b>	<b>-</b>	<b>66</b>
New financial assets purchased	14,376	-	-	14,376
Financial assets that have been derecognised	(450)	-	-	(450)
Change in credit risk	(13,878)	18	-	(13,860)
At 31 December 2020	<b>1,914</b>	<b>-</b>	<b>-</b>	<b>1,914</b>

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group and the Bank	
	30 September 2021 RM'000	31 December 2020 RM'000
<b>A9 Debt instruments at amortised cost</b>		
<b>Money market instruments</b>		
<b>Unquoted</b>		
<b>In Malaysia</b>		
Government Investment Issues	3,318,844	2,926,780
Islamic Cagamas bonds	60,950	52,912
Malaysian Government Sukuk	100,234	101,341
Khazanah bonds	89,047	89,047
	<b>3,569,075</b>	3,170,080
<b>Unquoted securities</b>		
<b>In Malaysia</b>		
Corporate Sukuk	5,328,372	5,333,167
Amortisation of premium net of accretion of discount	(5,607)	(1,409)
Less: Expected credit loss	(142)	(184)
	<b>8,891,698</b>	8,501,654

(a) Included in debt instruments at amortised cost is exposures to Restricted Profit Sharing Investment Accounts ("RPSIA"), as part of an arrangement between CIMB Islamic Bank Berhad and third party amounting to RM460,875,000 (31 December 2020: RM Nil).

**Expected credit losses movement for debt instruments at amortised cost:**

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (not credit impaired - Stage 2)	Lifetime expected credit losses (Credit impaired - Stage 3)	Total
<b>The Group and the Bank</b>				
<b>At 1 January 2021</b>	184	-	-	184
<b>Total charge to Income Statement:</b>	(42)	-	-	(42)
New financial assets purchased	460	-	-	460
Change in credit risk	(502)	-	-	(502)
<b>At 30 September 2021</b>	<b>142</b>	-	-	<b>142</b>

	12-month expected credit losses (Stage 1)	Lifetime expected credit losses (not credit impaired - Stage 2)	Lifetime expected credit losses (Credit impaired - Stage 3)	Total
<b>The Group and the Bank</b>				
<b>At 1 January 2020</b>	395	-	-	395
<b>Total charge to Income Statement:</b>	(211)	-	-	(211)
New financial assets purchased	1,113	-	-	1,113
Change in credit risk	(1,324)	-	-	(1,324)
<b>At 31 December 2020</b>	<b>184</b>	-	-	<b>184</b>

PART A - EXPLANATORY NOTES (CONTINUED)

A10 (i) By type and Shariah contract

30 September 2021

At amortised cost	Sale-based contracts				The Group and the Bank			Loan contract	Others	Total		
	Murabahah	Bai' Bithaman		Bai' al-Dayn	Tawarruq	Lease-based contracts					Qard	Ujrah
		Ajil	Bai' al-'inah			Ijarah	Al-Ijarah					
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Cash line <sup>^</sup>	-	431	625	-	1,117,067	-	-	4,485	-	1,122,608		
Term financing												
House Financing	-	4,611,964	-	-	25,432,551	1,169,626	-	-	-	31,214,141		
Syndicated Financing	-	-	29,768	-	2,151,677	-	-	-	-	2,181,445		
Hire purchase receivables	-	-	-	-	-	-	12,272,404	-	-	12,272,404		
Other term financing	-	1,063,186	1,712,165	-	32,286,687	40,837	-	-	-	35,102,875		
Bills receivable	523,755	-	-	7,723	-	-	-	-	-	531,478		
Islamic trust receipts	27,568	-	-	-	-	-	-	-	-	27,568		
Claims on customers under acceptance credits	637,058	-	-	67,776	-	-	-	-	-	704,834		
Staff financing**	-	-	-	-	206,015	-	-	-	-	206,015		
Revolving credits	-	-	-	-	4,223,843	-	-	-	-	4,223,843		
Credit card receivables	-	-	-	-	-	-	-	-	130,911	130,911		
Gross financing, advances and other financing/loans, at amortised cost	1,188,381	5,675,581	1,742,558	75,499	65,417,840	1,210,463	12,272,404	4,485	130,911	87,718,122		
Fair value changes arising from fair value hedge										2,403		
Less: Expected credit losses										87,720,525		
Net financing, advances and other financing/loans, at amortised cost										(1,207,723)		
<b>Total net financing, advances and other financing/loans</b>										<b>86,512,802</b>		

<sup>^</sup> Includes current account in excess

\* The Bank is the beneficial owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

# The Bank is the owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

\*\* Includes financing to Directors of the Group and the Bank amounting to RM2,321,304 (2020:RM2,081,719).

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans

(i) By type and Shariah contract (continued)

31 December 2020

	The Group and the Bank										
	Sale-based contracts					Lease-based contracts		Loan contract	Others	Total RM'000	
	Murabahah RM'000	Bai' Bithaman		Bai' al-'inah RM'000	Bai' al-Dayn RM'000	Tawarruq RM'000	Ijarah	Al-Ijarah	Qard RM'000		Ujrah RM'000
		Ajil RM'000					Muntahiah Bi al- Tamlik *	Thumma Al- Bai' #			
At amortised cost											
Cash line^	-	268	842	-	1,036,198	-	-	8,907	-	1,046,215	
Term financing											
House Financing	-	4,937,835	-	-	21,574,218	1,227,897	-	-	-	27,739,950	
Syndicated Financing	-	-	39,111	-	2,082,395	-	-	-	-	2,121,506	
Hire purchase receivables	-	-	-	-	-	-	11,380,856	-	-	11,380,856	
Other term financing	-	1,168,761	5,004,003	-	31,036,109	44,811	-	-	-	37,253,684	
Bills receivable	334,959	-	-	31,043	-	-	-	-	-	366,002	
Islamic trust receipts	96,492	-	-	-	-	-	-	-	-	96,492	
Claims on customers under acceptance credits	691,902	-	-	84,911	-	-	-	-	-	776,813	
Staff financing**	-	-	-	-	171,716	-	-	-	-	171,716	
Revolving credits	-	-	-	-	4,603,440	-	-	-	-	4,603,440	
Credit card receivables	-	-	-	-	-	-	-	-	134,389	134,389	
Gross financing, advances and other, at amortised cost financing/loans	1,123,353	6,106,864	5,043,956	115,954	60,504,076	1,272,708	11,380,856	8,907	134,389	85,691,063	
Fair value changes arising from fair value hedges										3,835	
Less: Expected credit losses										85,694,898	
Net financing, advances and other financing/loans, at amortised cost										(975,403)	
										84,719,495	
<b>At fair value through profit or loss:</b>											
Term financing											
Syndicated Financing	-	-	-	-	197,321	-	-	-	-	197,321	
Gross financing, advances and other financing/loans, at fair value through profit or loss	-	-	-	-	197,321	-	-	-	-	197,321	
<b>Total net financing, advances and other financing/loans</b>										<b>84,916,816</b>	

^ Includes current account in excess

\* The Bank is the beneficial owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing

# The Bank is the owner of the asset. The ownership of the asset will be transferred to the customer via sale at the end of the Ijarah financing.

\*\* Includes financing to Directors of the Group and the Bank amounting to RM2,321,304 (2020:RM2,081,719).



**PART A - EXPLANATORY NOTES (CONTINUED)**

**A10 Financing, advances and other financing/loans (continued)**

**(i) By type and Shariah contract (continued)**

	<b>The Group and the Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Total Gross financing, advances and other financing/loans</b>		
- At amortised cost	<b>87,718,122</b>	85,691,063
- At fair value through profit or loss	-	197,321
	<u><b>87,718,122</b></u>	<u>85,888,384</u>

(a) The Group and the Bank have undertaken fair value hedges on the profit rate risk of financing, advances and other financing/loans of RM69,809,000 (2020: RM78,322,000) using Islamic profit rate swaps.

(b) Included in financing, advances and other financing/loans are exposures to Restricted Profit Sharing Investment Accounts ("RPSIA"), as part of an arrangement between CIMB Islamic Bank Berhad and CIMB Bank Berhad. CIMB Bank Berhad is exposed to risks and rewards on RPSIA financing and will account for all the expected credit losses for financing arising thereon.

As at 30 September 2021, the gross carrying amount to RPSIA financing is RM4,406,108,000 (31 December 2020: RM4,703,553,000) and the 12-month expected credit losses relating to this RPSIA amounting to RM5,577,000 (31 December 2020: RM104,169,000) is recognised in the Financial Statements of CIMB Bank Berhad.

**(c) Movement of Qard financing**

	<b>The Group and the Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2021/2020	<b>8,907</b>	5,910
New disbursement	<b>2,896</b>	5,072
Repayment	<b>(7,318)</b>	(2,075)
As at 30 September/31 December	<u><b>4,485</b></u>	<u>8,907</u>
Sources of Qard fund:		
Depositors' fund	<b>4,195</b>	8,401
Shareholders' fund	<b>290</b>	506
	<u><b>4,485</b></u>	<u>8,907</u>
Uses of Qard fund:		
Personal use	<b>281</b>	469
Business purpose	<b>4,204</b>	8,438
	<u><b>4,485</b></u>	<u>8,907</u>

**(ii) By geographical distribution:**

Malaysia	<u><b>87,718,122</b></u>	<u>85,888,384</u>
	<u><b>87,718,122</b></u>	<u>85,888,384</u>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A10 Financing, advances and other financing/loans (continued)**

	<b>The Group and the Bank</b>	
	<b>30 September 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(iii) By type of customer :</b>		
Domestic non-bank financial institutions	2,411,366	2,307,114
Domestic business enterprises		
- Small medium enterprises	12,637,390	11,717,859
- Others	8,820,981	9,675,087
Government and statutory bodies	700,700	3,485,484
Individuals	62,455,108	57,876,284
Other domestic entities	253,724	227,451
Foreign entities	438,853	599,105
Gross financing, advances and other financing/loans	<u>87,718,122</u>	<u>85,888,384</u>
<b>(iv) By profit rate sensitivity :</b>		
Fixed rate		
- House financing	188,750	171,776
- Hire purchase receivables	11,255,554	10,220,238
- Others	2,989,860	2,460,723
Variable rate		
- House financing	31,025,391	27,568,174
- Others	42,258,567	45,467,473
Gross financing, advances and other financing/loans	<u>87,718,122</u>	<u>85,888,384</u>
<b>(v) By economic purpose :</b>		
Personal use	2,085,082	2,318,285
Credit card	130,911	134,389
Construction	1,565,752	1,801,730
Residential property	32,022,480	28,484,583
Non-residential property	8,309,402	7,885,765
Purchase of fixed assets other than land and building	354,683	340,901
Merger and acquisition	350,791	532
Purchase of securities	14,190,277	14,019,757
Purchase of transport vehicles	12,561,052	11,635,714
Working capital	13,344,052	15,992,835
Other purpose	2,803,640	3,273,893
Gross financing, advances and other financing/loans	<u>87,718,122</u>	<u>85,888,384</u>
<b>(vi) By economic sector:</b>		
Primary agriculture	2,914,978	3,131,487
Mining and quarrying	638,051	654,850
Manufacturing	3,355,270	3,109,434
Electricity, gas and water supply	83,541	283,688
Construction	1,683,846	1,647,676
Transport, storage and communications	2,071,930	2,335,206
Education, health and others	1,519,142	4,207,790
Wholesale and retail trade, and restaurants and hotels	3,779,403	3,547,681
Finance, insurance/takaful, real estate and business activities	8,776,503	8,688,348
Household	62,813,316	58,200,960
Others	82,142	81,264
Gross financing, advances and other financing/loans	<u>87,718,122</u>	<u>85,888,384</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A10 Financing, advances and other financing/loans (continued)

	The Group and the Bank	
	30 September 2021 RM'000	31 December 2020 RM'000
<b>(vii) By residual contractual maturity :</b>		
Within one year	7,015,803	10,817,368
One year to less than three years	1,352,040	1,412,871
Three years to less than five years	4,107,566	2,754,591
Five years and more	75,242,713	70,903,554
Gross financing, advances and other financing/loans	<u>87,718,122</u>	<u>85,888,384</u>
<b>(viii) Credit impaired financing by economic purpose :</b>		
Personal use	15,708	36,843
Credit card	1,056	1,762
Construction	701	1,312
Residential property	265,207	370,505
Non-residential property	112,848	123,188
Purchase of fixed assets other than land & building	-	65
Purchase of securities	35,850	87,766
Purchase of transport vehicles	240,891	99,852
Working capital	117,960	757,692
Other purpose	25,397	18,257
Gross credit impaired financing, advances and other financing/loans	<u>815,618</u>	<u>1,497,242</u>
<b>(ix) Credit impaired financing by geographical distribution:</b>		
Malaysia	<u>815,618</u>	<u>1,497,242</u>
	<u>815,618</u>	<u>1,497,242</u>
<b>(x) Credit impaired financing by economic sector:</b>		
Primary agriculture	20,109	19,370
Mining and quarrying	-	1,340
Manufacturing	32,352	694,217
Electricity, gas and water supply	1	1
Construction	24,294	16,505
Transport, storage and communications	1,875	3,796
Education, health and others	6,209	3,567
Wholesale and retail trade, and restaurants and hotels	100,795	92,310
Finance, insurance/takaful, real estate and business activities	51,331	39,048
Household	578,647	627,086
Others	5	2
Gross credit impaired financing, advances and other financing/loans	<u>815,618</u>	<u>1,497,242</u>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A10 Financing, advances and other financing/loans (continued)**

(xi) Movements in the expected credit losses for financing, advances and other financing/loans are as follows:

**Financing, advances and other financing/loans at amortised cost:**

<b>The Group and the Bank</b>	<b>12-month expected credit losses (Stage 1) RM'000</b>	<b>Lifetime expected credit losses-not credit impaired (Stage 2) RM'000</b>	<b>Lifetime expected credit losses -Credit impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>At 1 January 2021</b>	<b>254,404</b>	<b>381,846</b>	<b>339,153</b>	<b>975,403</b>
Changes in expected credit losses due to transferred within stages:	<b>317,020</b>	<b>(196,663)</b>	<b>(120,357)</b>	<b>-</b>
Transferred to Stage 1	<b>436,806</b>	<b>(413,108)</b>	<b>(23,698)</b>	<b>-</b>
Transferred to Stage 2	<b>(119,664)</b>	<b>349,170</b>	<b>(229,506)</b>	<b>-</b>
Transferred to Stage 3	<b>(122)</b>	<b>(132,725)</b>	<b>132,847</b>	<b>-</b>
<b>Total charge to Income Statement:</b>	<b>(287,105)</b>	<b>466,613</b>	<b>155,527</b>	<b>335,035</b>
New financial assets originated	<b>51,097</b>	<b>1,758</b>	<b>40,185</b>	<b>93,040</b>
Financial assets that have been derecognised	<b>(30,652)</b>	<b>(19,651)</b>	<b>-</b>	<b>(50,303)</b>
Writeback in respect of full recoveries	<b>-</b>	<b>-</b>	<b>(62,811)</b>	<b>(62,811)</b>
Change in credit risk	<b>(307,550)</b>	<b>484,506</b>	<b>178,153</b>	<b>355,109</b>
Write-offs	<b>-</b>	<b>(4)</b>	<b>(110,623)</b>	<b>(110,627)</b>
Foreign exchange differences	<b>21</b>	<b>108</b>	<b>-</b>	<b>129</b>
Other movements	<b>(94)</b>	<b>121</b>	<b>7,756</b>	<b>7,783</b>
	<b>284,246</b>	<b>652,021</b>	<b>271,456</b>	<b>1,207,723</b>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A10 Financing, advances and other financing/loans (continued)**

(xi) Movements in the expected credit losses for financing, advances and other financing/loans are as follows:

Financing, advances and other financing/loans at amortised cost:

The Group and the Bank	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses-not credit impaired (Stage 2) RM'000	Lifetime expected credit losses -Credit impaired (Stage 3) RM'000	Total RM'000
<b>At 1 January 2020</b>	134,567	132,054	168,027	434,648
Changes in expected credit losses due to transferred within stages:	(126,796)	115,144	11,652	-
Transferred to Stage 1	105,759	(82,281)	(23,478)	-
Transferred to Stage 2	(231,780)	339,942	(108,162)	-
Transferred to Stage 3	(775)	(142,517)	143,292	-
<b>Total charge to Income Statement:</b>	246,643	134,861	244,907	626,411
New financial assets originated	81,920	5,138	61,547	148,605
Financial assets that have been derecognised	(51,255)	(19,025)	-	(70,280)
Writeback in respect of full recoveries	-	-	(60,469)	(60,469)
Change in credit risk	215,978	148,748	243,829	608,555
Write-offs	(221)	(70)	(89,915)	(90,206)
Other movements	211	(143)	4,482	4,550
	<u>254,404</u>	<u>381,846</u>	<u>339,153</u>	<u>975,403</u>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A10 Financing, advances and other financing/loans (continued)**

**(xii) Movements in credit impaired financing, advances and other financing/loans**

**Gross carrying amount movement of financing, advances and other financing/loans at amortised cost classified as credit impaired:**

	<b>The Group and the Bank</b>	
	<b>Lifetime expected credit losses</b>	
	<b>-Credit impaired</b>	
	<b>(Stage 3)</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2021</b>	<b>1,497,242</b>	<b>1,497,242</b>
Transfer within stages	(426,330)	(426,330)
Transferred to Stage 1	(67,152)	(67,152)
Transferred to Stage 2	(1,401,841)	(1,401,841)
Transferred to Stage 3	1,042,663	1,042,663
New financial assets originated	175,884	175,884
Write-offs	(110,623)	(110,623)
Amount fully recovered	(290,833)	(290,833)
Other movements	(29,722)	(29,722)
<b>At 30 September 2021</b>	<b>815,618</b>	<b>815,618</b>

	<b>The Group and the Bank</b>	
	<b>Lifetime expected credit losses</b>	
	<b>-Credit impaired (Stage 3)</b>	
	<b>(Stage 3)</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2020</b>	<b>1,242,097</b>	<b>1,242,097</b>
Transfer within stages	493,309	493,309
Transferred to Stage 1	(156,296)	(156,296)
Transferred to Stage 2	(475,367)	(475,367)
Transferred to Stage 3	1,124,972	1,124,972
New financial assets originated	358,118	358,118
Write-offs	(89,915)	(89,915)
Amount fully recovered	(391,882)	(391,882)
Other changes in financing, advances and other financing/loans	(114,485)	(114,485)
<b>At 31 December 2020</b>	<b>1,497,242</b>	<b>1,497,242</b>

	<b>The Group and the Bank</b>	
	<b>30 September 2021</b>	<b>31 December 2020</b>
Ratio of credit impaired financing to total financing, advances and other financing/loans	<b>0.93%</b>	<b>1.74%</b>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A11 Other assets**

	The Group		The Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Deposits and prepayments	4,469	9,069	4,469	9,069
Sundry debtors net of expected credit losses	203,525	235,912	203,525	396,592
Collateral pledged for derivative transactions	80,760	25,250	80,760	25,250
Treasury related receivables	546,266	35,678	546,266	35,678
Clearing accounts	5,782	106,597	5,782	106,597
	<b>840,802</b>	<b>412,506</b>	<b>840,802</b>	<b>573,186</b>

**A12 Deposits from customers**

**(i) By type of deposit**

	The Group		The Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Savings deposits	6,742,098	5,195,321	6,742,098	5,195,321
Commodity Murabahah (via Tawarruq arrangement)*	6,742,098	5,195,321	6,742,098	5,195,321
Demand deposits	16,267,877	15,123,852	16,267,877	15,123,852
Qard	14,086,655	12,859,028	14,086,655	12,859,028
Commodity Murabahah (via Tawarruq arrangement)*	2,181,222	2,264,824	2,181,222	2,264,824
Term deposits	73,576,535	75,847,891	73,576,535	76,194,517
Commodity Murabahah Deposits-i (via Tawarruq arrangement)	46,404,241	46,720,074	46,404,241	47,066,700
Fixed Return Income Account-i (via Tawarruq arrangement)*	27,172,294	29,028,255	27,172,294	29,028,255
Negotiable Islamic Debt Certificate (NIDC) Hybrid (Bai Bithamin Ajil (BBA) and Bai al-Dayn)	-	99,562	-	99,562
Specific investment account	99,632	98,672	99,632	98,672
Mudharabah	99,632	98,672	99,632	98,672
Others	41,261	37,173	41,261	37,173
Qard	41,261	37,173	41,261	37,173
	<b>96,727,403</b>	<b>96,302,909</b>	<b>96,727,403</b>	<b>96,649,535</b>

\*included Qard contract of RM461,287,000 (2020:RM429,534,000)

PART A - EXPLANATORY NOTES (CONTINUED)

	The Group		The Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
<b>A12 Deposits from customers (continued)</b>				
<b>(ii) Maturity structures of term deposits and investment accounts.</b>				
Due within six months	64,272,207	66,419,984	64,272,207	66,766,610
Six months to less than one year	9,273,455	9,365,547	9,273,455	9,365,547
One year to less than three years	112,301	134,341	112,301	134,341
Three years to less than five years	4,510	3,589	4,510	3,589
Five years and more	13,694	23,102	13,694	23,102
	<u>73,676,167</u>	<u>75,946,563</u>	<u>73,676,167</u>	<u>76,293,189</u>

**(iii) By type of customer**

Government and statutory bodies	5,550,786	4,755,946	5,550,786	4,755,946
Business enterprises	33,049,986	29,739,057	33,049,986	29,739,057
Individuals	29,518,958	29,055,068	29,518,958	29,055,068
Others	28,607,673	32,752,838	28,607,673	33,099,464
	<u>96,727,403</u>	<u>96,302,909</u>	<u>96,727,403</u>	<u>96,649,535</u>

**A13 Investment accounts of customers**

	The Group and the Bank	
	30 September 2021 RM'000	31 December 2020 RM'000
Unrestricted investment accounts (Mudharabah)		
-without maturity		
Special Mudharabah Investment Account	860,805	831,454
-with maturity		
Term Investment Account-i	5,950,851	1,847,416
Unrestricted investment accounts (Wakalah)		
-without maturity		
Daily Investment Account-i	1,043	-
Restricted investment accounts (Mudharabah)		
-with maturity		
Restricted Profit Sharing Investment Account (RPSIA)	460,875	-
	<u>7,273,574</u>	<u>2,678,870</u>

The underlying assets for the investments are hire purchase, house financing, other term financing and marketable securities.

**A14 Deposits and placements of banks and other financial institutions**

Licensed Islamic banks	167,510	-
Licensed investment banks	347,173	1,050
Licensed banks	2,054,927	2,536,685
Bank Negara Malaysia	5,000	5,000
Other financial institutions	380,366	256,279
	<u>2,954,976</u>	<u>2,799,014</u>

The maturity structure of deposits and placements from financial institutions are as follows:

Due within six months	2,687,984	2,645,844
Six months to less than one year	110,000	-
Three years to five years	156,992	153,170
	<u>2,954,976</u>	<u>2,799,014</u>



PART A - EXPLANATORY NOTES (CONTINUED)

	The Group and the Bank	
	30 September 2021 RM'000	31 December 2020 RM'000
<b>A15 Investment accounts due to designated financial institutions</b>		
Restricted investment accounts		
Mudharabah	<u>4,449,939</u>	<u>4,751,241</u>
By type of counterparty		
Licensed banks	<u>4,449,939</u>	<u>4,751,241</u>

The underlying assets for the investments are deposit placement with financial institutions, syndicated term financing, revolving credit and other term financing.

**A16 Financial liabilities designated at fair value through profit or loss**

Deposits from customers - structured investments	<u>631,241</u>	<u>71,610</u>
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The Group and the Bank have issued structured investments, and have designated them at fair value in accordance with MFRS9. The Group and the Bank have the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Group and the Bank on the basis of its fair value, or includes terms that have substantive derivative characteristics.

The carrying amount of the Group and the Bank as at 30 September 2021 of financial liabilities designated at fair value were RM 23,284,000 lower (31 December 2020:RM650,000 lower) than the contractual amount at maturity. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

	The Group		The Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
<b>A17 Other liabilities</b>				
Accruals and other payables	63,984	53,168	63,984	53,168
Clearing accounts	383,627	170,168	383,627	170,168
Expected credit losses for commitments and contingencies	114,660	76,450	114,660	76,450
Collateral received for derivative transactions	21,280	86,100	21,280	86,100
Structured deposits	31,709	38,448	31,709	38,448
Treasury related payables	446,786	13,960	446,786	13,960
Others	39,920	32,111	39,920	31,023
	<u>1,101,966</u>	<u>470,405</u>	<u>1,101,966</u>	<u>469,317</u>

PART A - EXPLANATORY NOTES (CONTINUED)

A17 Other liabilities (continued)

(a) Expected credit losses movement of financing commitments and financial guarantee contracts are as follows:

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses -not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
<b>At 1 January 2021</b>	<b>46,852</b>	<b>23,066</b>	<b>6,532</b>	<b>76,450</b>
Changes in expected credit losses due to transferred within stages:	23,837	(19,757)	(4,080)	-
Transferred to Stage 1	27,929	(25,288)	(2,641)	-
Transferred to Stage 2	(4,054)	8,440	(4,386)	-
Transferred to Stage 3	(38)	(2,909)	2,947	-
<b>Total charge to Income Statement:</b>	<b>(1,210)</b>	<b>37,485</b>	<b>1,909</b>	<b>38,184</b>
New exposures	54,176	69	-	54,245
Exposures derecognised or matured	(26,372)	(5,939)	(370)	(32,681)
Change in credit risk	(29,014)	43,355	2,279	16,620
Foreign exchange differences	4	22	-	26
Other movements	(58)	46	12	-
<b>At 30 September 2021</b>	<b>69,425</b>	<b>40,862</b>	<b>4,373</b>	<b>114,660</b>

The Group and the Bank	12-month expected credit losses (Stage 1)	Lifetime expected credit losses -not credit impaired (Stage 2)	Lifetime expected credit losses -Credit impaired (Stage 3)	Total
<b>At 1 January 2020</b>	<b>36,471</b>	<b>6,572</b>	<b>2,500</b>	<b>45,543</b>
Changes in expected credit losses due to transferred within stages:	1,427	(4,348)	2,921	-
Transferred to Stage 1	7,306	(6,029)	(1,277)	-
Transferred to Stage 2	(5,868)	7,771	(1,903)	-
Transferred to Stage 3	(11)	(6,090)	6,101	-
<b>Total charge to Income Statement:</b>	<b>8,224</b>	<b>21,473</b>	<b>1,235</b>	<b>30,932</b>
New exposures	70,168	183	-	70,351
Exposures derecognised or matured	(30,359)	(4,816)	(1,068)	(36,243)
Change in credit risk	(31,585)	26,106	2,303	(3,176)
Other movements	730	(631)	(124)	(25)
<b>At 31 December 2020</b>	<b>46,852</b>	<b>23,066</b>	<b>6,532</b>	<b>76,450</b>

As at 30 September 2021, the gross carrying amount of financing commitments and financial guarantee contracts that are credit impaired for the Group and the Bank is RM34,512,000 (2020: RM40,036,000) respectively.

## PART A - EXPLANATORY NOTES (CONTINUED)

### A18 Subordinated sukuk

#### The Group and the Bank

a) The RM850 million unsecured subordinated Sukuk ("the Sukuk") is part of the Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 May 2009. Under the programme, the Bank is allowed to raise Tier II capital of up to RM2.0 billion in nominal value outstanding at any one time.

The first tranche of the Sukuk of RM300 million under the first issuance was issued at par on 25 September 2009 and is due on 25 September 2024, with optional redemption on 25 September 2019 or any periodic payment date thereafter. The Sukuk bears a profit rate of 5.85% per annum payable semi-annually in arrears.

The Bank redeemed in full, the first tranche of the Sukuk of RM300 million on its first optional redemption date of 25 September 2019.

On 21 April 2011, the second tranche of the Sukuk of RM250 million was issued at par and is due on 21 April 2021, with optional redemption on 21 April 2016 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.2% per annum payable semi-annually in arrears.

The Bank redeemed in full, the second tranche of the Sukuk of RM250 million on its first optional redemption date of 21 April 2016.

On 18 September 2012, the third tranche of the Sukuk of RM300 million was issued at par and is due on 15 September 2022, with the optional redemption on 18 September 2017 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.00% per annum, payable semi-annually in arrears.

The Bank redeemed in full, the third tranche of the Sukuk of RM300 million on its first optional redemption date of 18 September 2017.

The Sukuk qualify as Tier II capital for the purpose of the total capital ratio computation (subject to gradual phase-out treatment under Basel III).

b) On 21 September 2016, the Bank had issued RM10 million Tier II Junior Sukuk ("the Sukuk") at par and is due on 21 September 2026, with optional redemption on 21 September 2021 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.55% per annum.

The Sukuk is part of the Basel III Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier II capital of up to RM5.0 billion in nominal value outstanding at any one time.

The RM10 million Sukuk qualify as Tier II Capital for the purpose of the total capital ratio computation of the Bank.

The Bank redeemed in full, the Sukuk of RM10 million on its first optional redemption date of 21 September 2021.

c) On 28 December 2017, the Bank had issued RM300 million Tier II Junior Sukuk ("the Sukuk") at par and is due on 28 December 2027, with optional redemption on 28 December 2022 or any periodic payment date thereafter. The Sukuk bears a profit rate of 4.70% per annum.

The Sukuk is part of the Basel III Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier II capital of up to RM5.0 billion nominal value outstanding at any one time.

The RM300 million Sukuk qualify as Tier II Capital for the purpose of the total capital ratio computation of the Bank.

d) On 25 September 2019, the Bank had issued RM800 million Tier II Junior Sukuk ("the Sukuk") at par and is due on 25 September 2029, with optional redemption on 25 September 2024 or any periodic payment date thereafter. The Sukuk bears a profit rate of 3.75% per annum.

The Sukuk is part of the Basel III Tier II Junior Sukuk programme which was approved by the Securities Commission on 22 September 2014. Under the programme, the Bank is allowed to raise Tier II capital of up to RM5.0 billion nominal value outstanding at any one time.

The RM800 million Sukuk qualify as Tier II Capital for the purpose of the total capital ratio computation of the Bank.

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>A19 Income derived from investment of depositors' funds and others</b>				
<b>The Group and the Bank</b>				
Income derived from investment of :				
a) General investment deposits	635,829	692,171	1,993,535	2,149,224
b) Specific investment deposits	486	554	1,437	2,032
c) Other deposits	237,187	263,245	713,885	818,384
	<u>873,502</u>	<u>955,970</u>	<u>2,708,857</u>	<u>2,969,640</u>
<b>a) Income derived from investment of general investment deposits</b>				
Financing advances and other financing/loans				
- Profit income	492,740	495,089	1,547,068	1,577,735
- Unwinding income <sup>^</sup>	6,468	8,541	20,024	19,475
Debt instruments at fair value through other comprehensive income	29,183	25,568	77,106	74,191
Debt instrument at amortised cost	62,582	58,697	185,953	171,954
Money at call and deposit with financial institutions	34,745	34,771	116,940	117,865
Reverse Collateralised Commodity Murabahah	-	-	3	-
	<u>625,718</u>	<u>622,666</u>	<u>1,947,094</u>	<u>1,961,220</u>
Accretion of discount less amortisation of premium	(6,471)	(4,962)	(17,933)	(11,794)
	<u>619,247</u>	<u>617,704</u>	<u>1,929,161</u>	<u>1,949,426</u>
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	10,036	8,207	30,601	31,413
- Financing, advances and other financing/loans	-	1,446	908	4,783
- Net accretion of discount less amortisation of premium	16,033	9,518	51,223	42,371
Total finance income and hibah	<u>645,316</u>	<u>636,875</u>	<u>2,011,893</u>	<u>2,027,993</u>
Other operating income				
- Net gain/(loss) arising from financial investments at fair value through profit or loss:	737	10,749	(900)	24,061
- realised	3,091	9,337	6,872	19,224
- unrealised	(2,354)	1,412	(7,772)	4,837
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	6,371	24,245	31,714	59,397
- Net unrealised gain/(loss) arising from financing, advances and other financings at fair value through profit or loss	-	415	3,603	(317)
- Net (loss)/gain from foreign exchange transactions	(18,305)	17,825	(58,720)	33,391
	<u>(11,197)</u>	<u>53,234</u>	<u>(24,303)</u>	<u>116,532</u>
Fee and commission income				
- Guarantee fee	1,710	2,062	5,945	4,699
	<u>635,829</u>	<u>692,171</u>	<u>1,993,535</u>	<u>2,149,224</u>
<b>b) Income derived from investment of specific investment deposits</b>				
Money at call and deposit with financial institutions	<u>486</u>	<u>554</u>	<u>1,437</u>	<u>2,032</u>

<sup>^</sup> Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
<b>A19 Income derived from investment of depositors funds and others (continued)</b>				
<b>The Group and the Bank</b>				
<b>c) Income derived from investment of other deposits</b>				
Financing, advances and other financing/loans				
- Profit income	183,807	188,308	553,821	600,788
- Unwinding income <sup>^</sup>	2,413	3,235	7,172	7,418
Debt instruments at fair value through other comprehensive income	10,886	9,724	27,723	28,235
Debt instrument at amortised cost	23,345	22,323	66,659	65,452
Money at call and deposit with financial institutions	12,961	13,223	41,798	44,838
Reverse Collateralised Commodity Murabahah	1	-	1	-
	<u>233,413</u>	<u>236,813</u>	<u>697,174</u>	<u>746,731</u>
Accretion of discount less amortisation of premium	(2,414)	(1,887)	(6,442)	(4,482)
	<u>230,999</u>	<u>234,926</u>	<u>690,732</u>	<u>742,249</u>
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	3,744	3,121	10,963	11,986
- Financing, advances and other financing/loans	-	550	310	1,822
- Net accretion of discount less amortisation of premium	5,982	3,619	18,326	16,133
Total finance income and hibah	<u>240,725</u>	<u>242,216</u>	<u>720,331</u>	<u>772,190</u>
Other operating income				
- Net gain/(loss) arising from financial investments at fair value through profit or loss:				
- realised	276	4,088	(159)	9,117
- unrealised	1,153	3,551	2,530	7,297
	(877)	537	(2,689)	1,820
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	2,377	9,221	11,141	22,683
- Net unrealised gain/(loss) arising from financing, advances and other financings at fair value through profit or loss	-	158	1,228	(114)
- Net (loss)/gain from foreign exchange transactions	(6,829)	6,779	(20,772)	12,712
	<u>(4,176)</u>	<u>20,246</u>	<u>(8,562)</u>	<u>44,398</u>
Fee and commission income				
- Guarantee fee	638	783	2,116	1,796
	<u>237,187</u>	<u>263,245</u>	<u>713,885</u>	<u>818,384</u>

<sup>^</sup> Unwinding income is income earned on credit impaired financing, advances and other financing/loans

**A20 Income derived from investment of investment account**

**The Group and The Bank**

Financing, advances and other financing/loans				
- Profit income	101,229	82,980	241,993	287,897
- Unwinding income <sup>^</sup>	1	-	2	-
Debt instrument at amortised cost	3,065	-	4,563	-
Money at call and deposit with financial institutions	852	754	2,662	4,859
	<u>105,147</u>	<u>83,734</u>	<u>249,220</u>	<u>292,756</u>
Accretion of discount less amortisation of premium	1,708	-	3,350	-
	<u>106,855</u>	<u>83,734</u>	<u>252,570</u>	<u>292,756</u>
Fees and commission income				
- Service charges and fees	1	-	33	4
	<u>106,856</u>	<u>83,734</u>	<u>252,603</u>	<u>292,760</u>

<sup>^</sup> Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
<b>A21 Income derived from investment of shareholder's funds</b>				
<b>The Group</b>				
Financing, advances and other financing/loans				
- Profit income	46,753	42,927	142,197	144,179
- Unwinding income <sup>^</sup>	614	745	1,841	1,783
Debt instruments at fair value through other comprehensive income	2,769	2,217	7,109	6,752
Debt instrument at amortised cost	5,938	5,090	17,108	15,663
Money at call and deposit with financial institutions	3,297	3,016	10,737	10,747
	<u>59,371</u>	<u>53,995</u>	<u>178,992</u>	<u>179,124</u>
Accretion of discount less amortisation of premium	(614)	(431)	(1,652)	(1,062)
	<u>58,757</u>	<u>53,564</u>	<u>177,340</u>	<u>178,062</u>
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	952	712	2,814	2,904
- Financing, advances and other financing/loans	-	125	81	438
- Net accretion of discount less amortisation of premium	1,521	825	4,706	3,895
Total finance income and hibah	<u>61,230</u>	<u>55,226</u>	<u>184,941</u>	<u>185,299</u>
Other operating income				
- Net gain/(loss) arising from financial assets at fair value through profit or loss:	70	933	(68)	2,139
- realised	293	810	639	1,716
- unrealised	(223)	123	(707)	423
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	605	2,102	2,889	5,453
- Net unrealised gain/(loss) arising from financing, advances and other financings at fair value through profit or loss	-	36	323	(26)
- Net (loss)/gain from foreign exchange transactions	(1,737)	1,546	(5,377)	3,004
- Net gain arising from hedging activities	143	1	145	561
- Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss:	8,735	(342)	20,387	(3,562)
- realised	(1,600)	(317)	(2,249)	(764)
- unrealised	10,335	(25)	22,636	(2,798)
- Net gain/(loss) arising from derivative financial instrument:	30,268	(13,265)	99,575	(11,484)
- realised	54,531	(3,872)	79,028	(17,198)
- unrealised	(24,263)	(9,393)	20,547	5,714
	<u>38,084</u>	<u>(8,989)</u>	<u>117,874</u>	<u>(3,915)</u>
Fee and commission income				
- Guarantee fee	162	179	545	432
- Service charge and fee	18,020	2,630	63,523	34,208
- Commission fee	34,513	33,910	98,144	80,422
Total fee and commission income	52,695	36,719	162,212	115,062
Less : fee and commission expense	(8,943)	(5,719)	(22,413)	(15,846)
Net fee and commission income	<u>43,752</u>	<u>31,000</u>	<u>139,799</u>	<u>99,216</u>
Other income	413	124	676	888
	<u>143,479</u>	<u>77,361</u>	<u>443,290</u>	<u>281,488</u>

<sup>^</sup> Unwinding income is income earned on credit impaired financing, advances and other financing/loans

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
<b>A21 Income derived from investment of shareholder's funds (continued)</b>				
<b>The Bank</b>				
Financing, advances and other financing/loans				
- Profit income	46,753	42,927	142,197	144,179
- Unwinding income <sup>^</sup>	614	745	1,841	1,783
Debt instruments at fair value through other comprehensive income	2,769	2,217	7,109	6,752
Debt instrument at amortised cost	5,938	5,090	17,108	15,663
Money at call and deposit with financial institutions	3,297	3,016	10,737	10,747
	<b>59,371</b>	<b>53,995</b>	<b>178,992</b>	<b>179,124</b>
Accretion of discount less amortisation of premium	(614)	(431)	(1,652)	(1,062)
	<b>58,757</b>	<b>53,564</b>	<b>177,340</b>	<b>178,062</b>
Other finance income for financial assets at fair value through profit or loss				
- Financial investments at fair value through profit or loss	952	712	2,814	2,904
- Financing, advances and other financing/loans	-	125	81	438
- Net accretion of discount less amortisation of premium	1,521	825	4,706	3,895
Total finance income and hibah	<b>61,230</b>	<b>55,226</b>	<b>184,941</b>	<b>185,299</b>
Other operating income				
- Net gain/(loss) arising from financial assets at fair value through profit or loss:	70	933	(68)	2,139
- realised	293	810	639	1,716
- unrealised	(223)	123	(707)	423
- Net gain from sale of investment in debt instruments at fair value through comprehensive income	605	2,102	2,889	5,453
- Net unrealised gain/(loss) arising from financing, advances and other financings at fair value through profit or loss	-	36	323	(26)
- Net (loss)/gain from foreign exchange transactions	(1,737)	1,546	(5,377)	3,004
- Net gain arising from hedging activities	143	1	145	561
-Net gain/(loss) arising from financial liabilities designated at fair value through profit or loss	8,735	(342)	20,387	(3,562)
- realised	(1,600)	(317)	(2,249)	(764)
- unrealised	10,335	(25)	22,636	(2,798)
- Net gain/(loss) arising from derivative financial instrument	30,268	(13,265)	99,575	(11,484)
- realised	54,531	(3,872)	79,028	(17,198)
- unrealised	(24,263)	(9,393)	20,547	5,714
	<b>38,084</b>	<b>(8,989)</b>	<b>117,874</b>	<b>(3,915)</b>
Fee and commission income				
- Guarantee fee	162	179	545	432
- Service charge and fee	18,021	2,630	64,023	34,674
- Commission fee	34,513	33,910	98,144	80,422
Total fee and commission income	52,696	36,719	162,712	115,528
Less : fee and commission expense	(8,943)	(5,719)	(22,413)	(15,846)
Net fee and commission income	43,753	31,000	140,299	99,682
Other income				
- Sundry income	413	124	676	888
	<b>143,480</b>	<b>77,361</b>	<b>443,790</b>	<b>281,954</b>

<sup>^</sup> Unwinding income is income earned on credit impaired financing, advances and other financing/loans.

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>A22(a) Expected credit losses on financing, advances and other financing/loans</b>				
<b>The Group and the Bank</b>				
Expected credit losses on financing, advances and other financing/loans at amortised cost:				
-Expected credit losses on financing, advances and other financing/loans	<b>124,625</b>	168,441	<b>335,035</b>	342,946
Credit impaired financing, advances and other financing/loans :				
- recovered	<b>(11,389)</b>	(13,978)	<b>(40,940)</b>	(34,585)
- written off	<b>29</b>	791	<b>912</b>	1,726
	<b>113,265</b>	155,254	<b>295,007</b>	310,087

**A22(b) Other expected credit losses made/(written back)**

**The Group and the Bank**

Expected credit losses made/(written back) on:

- Debt instrument at fair value through other comprehensive income	<b>(2,435)</b>	438	<b>1,271</b>	1,266
- Debt instrument at amortised cost	<b>(149)</b>	151	<b>(42)</b>	13
- Money at call and deposits and placements with banks and other financial institutions	-	4	-	8
- Other receivables	<b>(7)</b>	(43)	<b>(12)</b>	(17)
	<b>(2,591)</b>	550	<b>1,217</b>	1,270



## PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>A23 Income attributable to depositors and others</b>				
<b>The Group</b>				
<b>Deposits from customers</b>				
- Mudharabah	486	554	1,437	2,032
- Non-Mudharabah	375,663	434,094	1,191,070	1,533,526
<b>Deposits and placements of banks and other financial institutions</b>				
- Non-Mudharabah	5,054	4,789	16,327	22,602
<b>Others</b>				
- Financial liabilities designated at fair value through profit or loss	2,736	(88)	4,631	1,667
- Recourse obligation on loans and financing sold to Cagamas	-	12,777	-	42,620
- Sukuk	(236)	1,849	2,678	6,092
- Subordinated Sukuk	11,218	11,231	33,313	33,447
- Structured deposits	52	136	133	558
- Collateralised Commodity Murabahah	1,597	-	5,054	-
- Others	12	169	55	222
	<b>396,582</b>	<b>465,511</b>	<b>1,254,698</b>	<b>1,642,766</b>
<b>The Bank</b>				
<b>Deposits from customers</b>				
- Mudharabah	486	554	1,437	2,032
- Non-Mudharabah	375,663	434,094	1,191,070	1,533,526
<b>Deposits and placements of banks and other financial institutions</b>				
- Non-Mudharabah	5,054	4,789	16,327	22,602
<b>Others</b>				
- Financial liabilities designated at fair value through profit or loss	2,736	(88)	4,631	1,667
- Recourse obligation on loans and financing sold to Cagamas	-	12,777	-	42,620
- Subordinated Sukuk	11,218	11,231	33,313	33,447
- Structured deposits	52	136	133	558
- Collateralised Commodity Murabahah	1,597	-	5,054	-
- Others	1,173	2,003	4,586	6,709
	<b>397,979</b>	<b>465,496</b>	<b>1,256,551</b>	<b>1,643,161</b>
<b>A24 Profit distributed to investment account holder</b>				
<b>The Group and the Bank</b>				
-Restricted	27,347	27,494	77,846	102,722
-Unrestricted	29,381	13,774	58,462	79,324
	<b>56,728</b>	<b>41,268</b>	<b>136,308</b>	<b>182,046</b>

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
<b>A25 Personnel expenses</b>				
<b>The Group and the Bank</b>				
Salaries, allowances and bonuses	5,050	4,538	12,492	14,202
Pension costs (defined contribution plan)	545	454	1,624	1,402
Staff incentives and other staff payments	170	99	693	563
Medical expenses	55	48	163	156
Share-based expense <sup>1</sup>	394	-	539	-
Others	109	38	452	284
	<b>6,323</b>	<b>5,177</b>	<b>15,963</b>	<b>16,607</b>
<b>A26 Other overheads and expenditures</b>				
<b>The Group</b>				
<b>Establishment</b>				
Depreciation of property, plant equipment	63	407	312	1,117
Depreciation of right-of-use assets	135	139	412	416
Rental	96	45	293	142
Amortisation of intangible assets	9,394	2,326	28,101	6,523
Repairs and maintenance	252	185	910	744
Outsourcing expenses	-	102	-	230
Utility expenses	4	5	12	20
Others	496	114	1,501	456
	<b>10,440</b>	<b>3,323</b>	<b>31,541</b>	<b>9,648</b>
<b>Marketing</b>				
Advertisement and publicity	757	669	937	1,704
Others	3	30	67	2,768
	<b>760</b>	<b>699</b>	<b>1,004</b>	<b>4,472</b>
<b>General expenses</b>				
Consultancy and professional fees	381	440	1,148	1,099
Legal expenses	8	105	516	159
Stationery	264	143	289	250
Postages	92	1,108	214	3,306
Donation	1,336	760	1,436	1,795
Incidental expenses on banking operations	944	1,165	2,876	3,467
Takaful	3,449	(140)	10,573	4,308
Group service expense	294,466	197,661	814,039	643,684
Others	1,810	3,114	6,186	8,020
	<b>302,750</b>	<b>204,356</b>	<b>837,277</b>	<b>666,088</b>
	<b>313,950</b>	<b>208,378</b>	<b>869,822</b>	<b>680,208</b>

<sup>1</sup> The long term incentive plan (“LTIP”) was implemented by CIMBGH in June 2021. The LTIP awards ordinary shares and share options of the Company to eligible employees of the Group. The eligibility of participation in the LTIP shall be at the discretion of the LTIP Committee of CIMBGH, and the awarded shares and share options will be vested in stages at predetermined dates subject to continued employment and performance conditions.

PART A - EXPLANATORY NOTES (CONTINUED)

	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>A26 Other overheads and expenditures (continued)</b>				
<b>The Bank</b>				
<b>Establishment</b>				
Depreciation of property, plant equipment	63	407	312	1,117
Depreciation of right-of-use assets	135	139	412	416
Rental	96	45	293	142
Amortisation of intangible assets	9,394	2,326	28,101	6,523
Repairs and maintenance	252	185	910	744
Outsourcing expenses	-	102	-	230
Utility expenses	4	5	12	20
Others	496	114	1,501	456
	<b>10,440</b>	<b>3,323</b>	<b>31,541</b>	<b>9,648</b>
<b>Marketing</b>				
Advertisement and publicity	757	669	937	1,704
Others	3	30	67	2,768
	<b>760</b>	<b>699</b>	<b>1,004</b>	<b>4,472</b>
<b>General expenses</b>				
Consultancy and professional fees	381	440	1,148	1,099
Legal expenses	8	105	516	159
Stationery	264	143	289	250
Postages	92	1,108	214	3,306
Donation	1,336	760	1,436	1,795
Incidental expenses on banking operations	944	1,165	2,876	3,467
Takaful	3,449	(140)	10,573	4,308
Group service expense	294,466	197,661	814,039	643,684
Others	1,803	3,062	6,130	7,905
	<b>302,743</b>	<b>204,304</b>	<b>837,221</b>	<b>665,973</b>
	<b>313,943</b>	<b>208,326</b>	<b>869,766</b>	<b>680,093</b>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A27 Islamic derivative financial instruments, commitments and contingencies**

**(i) Islamic derivative financial instruments**

The following tables summarise the contractual or underlying principal amounts of trading derivative and financial instruments held for hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at the end of the reporting period, and do not represent amounts of risk.

Trading derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in "Islamic Derivative Financial Instruments" Assets and Liabilities respectively.

The Group and the Bank	30 September 2021			31 December 2020		
	Principal Amount	Fair values assets	Fair values liabilities	Principal amount	Fair values assets	Fair values liabilities
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Foreign exchange derivatives</u>						
Currency forwards	10,062,945	156,905	(130,611)	9,784,130	187,192	(256,745)
- Less than one year	9,477,101	84,121	(66,397)	8,850,406	110,178	(188,844)
- One year to three years	179,740	18,366	(16,397)	527,620	30,881	(28,605)
- More than three years	406,104	54,418	(47,817)	406,104	46,133	(39,296)
Currency swaps	16,021,043	45,799	(51,838)	8,318,263	118,983	(83,499)
- Less than one year	16,020,632	45,799	(51,755)	8,318,090	118,983	(83,473)
- One year to three years	411	-	(83)	173	-	(26)
- More than three years	-	-	-	-	-	-
Currency spots	231,120	135	(99)	59,437	118	(82)
- Less than one year	231,120	135	(99)	59,437	118	(82)
Currency options	187,727	573	(564)	264,718	947	(939)
- Less than one year	187,727	573	(564)	264,718	947	(939)
Cross currency profit rate swaps	889,939	50,534	(47,182)	1,555,059	87,826	(85,253)
- Less than one year	147,387	603	(562)	811,391	58,959	(58,891)
- One year to three years	-	-	-	-	-	-
- More than three years	742,552	49,931	(46,620)	743,668	28,867	(26,362)
	27,392,774	253,946	(230,294)	19,981,607	395,066	(426,518)
<u>Islamic profit rate derivatives</u>						
Islamic profit rate swaps	5,542,668	57,172	(81,299)	11,213,722	122,486	(122,309)
- Less than one year	1,238,928	6,673	(6,469)	6,537,030	20,543	(20,301)
- One year to three years	2,427,141	30,455	(33,443)	2,945,961	55,948	(58,438)
- More than three years	1,876,599	20,044	(41,387)	1,730,731	45,995	(43,570)
<u>Equity related derivatives</u>						
Equity options	-	-	-	37,194	1,717	(1,717)
- Less than one year	-	-	-	24,956	1,713	(1,713)
- More than three years	-	-	-	12,238	4	(4)
<u>Credit related contracts</u>						
Total return swaps	41,000	1,225	(1,225)	41,500	2,024	(2,024)
- More than three years	41,000	1,225	(1,225)	41,500	2,024	(2,024)
<u>Commodity related derivatives</u>						
Commodity Swap	56,555	7,848	(7,547)	-	-	-
- Less than one year	56,555	7,848	(7,547)	-	-	-
Commodity options	136,998	131	(131)	7,555	1,554	(1,340)
- Less than one year	136,998	131	(131)	4,732	33	(33)
- One year to three years	-	-	-	2,823	1,521	(1,307)
<u>Hedging derivatives</u>						
Islamic profit rate swaps	409,808	1,019	(3,812)	78,008	-	(3,939)
- Less than one year	140,000	-	(4)	-	-	-
- One year to three years	55,000	81	(18)	-	-	-
- More than three years	214,808	938	(3,790)	78,008	-	(3,939)
<b>Total derivative assets/(liabilities)</b>	<b>33,579,803</b>	<b>321,341</b>	<b>(324,308)</b>	<b>31,359,586</b>	<b>522,847</b>	<b>(557,847)</b>

## PART A - EXPLANATORY NOTES (CONTINUED)

### A27 Islamic derivative financial instruments, commitments and contingencies (continued)

#### (i) Islamic derivative financial instruments (continued)

The Group's and the Bank's derivative financial instruments are subject to market, credit and liquidity risk, as follows:

#### **Market Risk**

Market risk is defined as any fluctuation in the value arising from changes in value of market risk factors such as profit rates, currency exchange rates, credit spreads, equity prices, commodities prices and their associated volatility. The contractual amounts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. The Group's risk management department monitors and manages market risk exposure via stress testing of the Group's Value-at-Risk (VaR) model, in addition to reviewing and analysing its treasury trading strategy, positions and activities vis-à-vis changes in the financial market, monitoring limit usage, assessing limit adequacy, and verifying transaction prices.

#### **Credit Risk**

Credit risk arises when counterparties to derivative contracts, such as profit rate swaps, are not able to or willing to fulfil their obligation to pay the Group the positive fair value or receivable resulting from the execution of contract terms. As at 30 September 2021, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM321,341,000 (31 December 2020: RM522,847,000). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

#### **Liquidity Risk**

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. Exposure to liquidity risk is reduced through contracting derivatives where the underlying items are widely traded.

#### **Cash requirements of the derivatives**

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 30 September 2021, the Group has posted cash collateral of RM80,760,000 (31 December 2020: RM25,250,000) on their derivative contracts.

There have been no changes since the end of the previous financial year in respect of the following:

- a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- c) the related accounting policies.

The above information, policies and procedures in respect of derivative financial instruments of the Group and the Bank are disclosed in the audited annual financial statements for the financial year ended 31 December 2020.

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A27 Islamic derivative financial instruments, commitments and contingencies (continued)**

**(ii) Commitments and contingencies**

	<b>30 September 2021 Principal amount</b>	<b>31 December 2020 Principal amount</b>
<b>The Group and the Bank</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Credit-related</u>		
Direct credit substitutes	265,865	291,893
Transaction-related contingent items	718,203	697,011
Short-term self-liquidating trade-related contingencies	61,187	75,486
Irrevocable commitments to extend credit :		
- maturity not exceeding one year	12,875,877	11,469,447
- maturity exceeding one year	9,474,555	7,541,999
Miscellaneous commitments and contingencies	17,080	24,219
Total credit-related commitments and contingencies	<u>23,412,767</u>	<u>20,100,055</u>
<u>Treasury-related</u>		
Foreign exchange related contracts :		
- less than one year	26,063,966	18,304,042
- one year to five years	647,997	825,356
- more than five years	680,811	852,209
Profit rate related contracts :		
- less than one year	1,378,928	6,537,030
- one year to five years	3,474,490	3,683,709
- more than five years	1,099,058	1,070,991
Equity related contracts :		
- less than one year	-	24,956
- more than five years	-	12,238
Credit related contracts:		
- one year to five years	41,000	-
- more than five years	-	41,500
Commodity related contracts :		
- less than one year	193,553	4,732
- one year to five years	-	2,823
Total treasury-related commitments and contingencies	<u>33,579,803</u>	<u>31,359,586</u>
	<u>56,992,570</u>	<u>51,459,641</u>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A28 Capital Adequacy**

The capital adequacy framework applicable to the Malaysian banking entities is based on the Bank Negara Malaysia (“BNM”) Capital Adequacy Framework for Islamic Banks (“CAFIB”) (Capital Components), of which the latest revision was issued on 9 December 2020. The revised guidelines took effect on 9 December 2020 for all banking institutions and financial holding companies and sets up the regulatory capital requirements concerning capital adequacy ratios and components of eligible regulatory capital in compliance with Basel III.

The risk-weighted assets of the Bank Group and the Bank are computed in accordance with the CAFIB (Basel II - Risk-Weighted Assets), of which the latest revision was issued on 3 May 2019.

The Internal Ratings Based (“IRB”) Approach adopted by CIMB Islamic Bank is applied for the major credit exposures with retail exposures on Advanced IRB approach and non-retail exposures on Foundation IRB approach. The remaining credit exposures and Market Risk are on the Standardised Approach while Operational Risk is based on the Basic Indicator Approach.

(a) The capital adequacy ratios of the Group and Bank are as follows:

	<b>The Group</b>		<b>The Bank</b>	
	<b>30 September 2021</b>	<b>31 December 2020</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
Common equity tier 1 ratio	<b>13.778%</b>	13.304%	<b>13.781%</b>	13.307%
Tier 1 ratio	<b>14.523%</b>	14.097%	<b>14.526%</b>	14.100%
Total capital ratio	<b>17.255%</b>	16.757%	<b>17.258%</b>	16.760%

(b) The breakdown of risk-weighted assets (“RWA”) by each major risk category is as follows:

	<b>30 September 2021</b>	31 December 2020	<b>30 September 2021</b>	31 December 2020
	<b>RM’000</b>	RM’000	<b>RM’000</b>	RM’000
Credit risk	<b>42,864,494</b>	41,382,111	<b>42,864,608</b>	41,382,225
Market risk	<b>1,068,683</b>	869,519	<b>1,068,683</b>	869,519
Operational risk	<b>4,018,676</b>	3,633,392	<b>4,017,889</b>	3,633,429
Total risk-weighted assets	<b>47,951,853</b>	45,885,022	<b>47,951,180</b>	45,885,173

(c) Components of Common Equity Tier 1, Additional Tier 1 and Tier 2 capitals are as follows:

	<b>30 September 2021</b>	31 December 2020	<b>30 September 2021</b>	31 December 2020
	<b>RM’000</b>	RM’000	<b>RM’000</b>	RM’000
<b>Common Equity Tier 1 capital</b>				
Ordinary share capital	<b>1,000,000</b>	1,000,000	<b>1,000,000</b>	1,000,000
Other reserves	<b>5,939,159</b>	5,612,772	<b>5,940,514</b>	5,614,034
Common Equity Tier 1 capital before regulatory adjustments	<b>6,939,159</b>	6,612,772	<b>6,940,514</b>	6,614,034
<u>Less: Regulatory adjustments</u>				
Goodwill	<b>(136,000)</b>	(136,000)	<b>(136,000)</b>	(136,000)
Intangible assets	<b>(28,050)</b>	(55,420)	<b>(28,050)</b>	(55,420)
Deferred tax assets	<b>(168,272)</b>	(86,469)	<b>(168,272)</b>	(86,469)
Regulatory reserve	-	(213,032)	-	(213,032)
Others	<b>1</b>	(17,221)	<b>1</b>	(17,222)
Common Equity Tier 1 capital after regulatory adjustments	<b>6,606,838</b>	6,104,630	<b>6,608,193</b>	6,105,891
<b>Additional Tier 1 capital</b>				
Perpetual preference shares	<b>357,000</b>	364,000	<b>357,000</b>	364,000
<b>Total Tier 1 capital</b>	<b>6,963,838</b>	6,468,630	<b>6,965,193</b>	6,469,891
<b>Tier 2 capital</b>				
Subordinated notes	<b>1,100,000</b>	1,110,000	<b>1,100,000</b>	1,110,000
Surplus eligible provisions over expected loss	<b>138,670</b>	40,649	<b>138,667</b>	40,647
General provisions ^	<b>71,698</b>	69,727	<b>71,700</b>	69,729
<b>Total Tier 2 capital</b>	<b>1,310,368</b>	1,220,376	<b>1,310,367</b>	1,220,376
<b>Total capital</b>	<b>8,274,206</b>	7,689,006	<b>8,275,560</b>	7,690,267

^ Total capital of the Group and the Bank has excluded general provisions from Tier 2 capital of RM30.2 million (2020: RM49.5 million).

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A29 Restricted Agency Investment Account -RAIA**

The details of the Restricted Agency Investment Account (“RAIA”) financing are as below. The exposures and corresponding risk weighted amount are reported in investors’ financial statements.

	<b>The Group and the Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>RAIA arrangement</u>		
Financing and advances	<b>8,795,706</b>	5,030,980
Commitments and contingencies	<b>3,000,000</b>	3,700,000
	<b><u>11,795,706</u></b>	<u>8,730,980</u>

	<b>The Group and the Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Total RWA for Credit Risk	<b>960,607</b>	209,266
	<b><u>960,607</u></b>	<u>209,266</u>

RAIA arrangement is with the Bank’s holding company, CIMB Bank, and the contract is based on the Wakalah principle where CIMB Bank provides the funds, whilst the assets are managed by the Bank (as the Wakeel or agent). In the arrangement, the Bank has transferred substantially all the risk and rewards of ownership of the Investment (i.e. the financing facility) to CIMB Bank. Accordingly, the underlying assets (including the undisbursed portion of the financing commitment) and allowance for impairment arising thereon, if any, are recognised and accounted for by CIMB Bank.



## PART A - EXPLANATORY NOTES (CONTINUED)

### A30 Segmental reporting

#### Definition of segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined the Group Executive Committee as its chief operating decision-maker.

The business segment results are prepared based on the Group's internal management reporting, which reflect the organisation's management reporting structure.

#### Business segment reporting

##### Definition of segments:

The Group has four major operation divisions that form the basis on which the Group reports its segment information.

#### **Consumer Banking**

Consumer Banking provides everyday banking solutions to individual customers covering Islamic financial products and services such as residential property financing, non-residential property financing, personal financing, hire purchase financing, credit cards, wealth management, bancatakaful, remittance and foreign exchange, deposits and internet banking services.

#### **Commercial Banking**

Commercial Banking offers products and services for customer segments comprising small and medium-scale enterprises ("SMEs") and mid-sized corporations. Their products and services include banking credit facilities, trade financing, cash management, online business banking platform, remittance and foreign exchange, as well as general deposit products.

#### **Wholesale Banking**

Wholesale Banking comprises Investment Banking, Corporate Banking, Treasury and Markets, Transaction Banking and Private Banking.

Investment Banking includes end-to-end client coverage and advisory services. Client coverage focuses on marketing and delivering solutions to corporate and financial institutional clients whereas advisory offers financial advisory services to corporations on issuance of debt restructuring, initial public offerings, secondary offerings and general corporate advisory.

Corporate Banking offers a broad spectrum of Islamic funding solutions ranging from trade, working capital lines and capital expenditure to leveraging, merger and acquisition, leveraged and project financing. Corporate Banking's client managers partner with product specialists within the Group to provide a holistic funding solution, from cash management, trade finance, foreign exchange, custody and corporate financings, to derivatives, structured products and debt capital market.

Treasury focuses on treasury activities and services which include foreign exchange, money market, derivatives and trading of capital market instruments. It includes the Group's equity derivatives which develops and issues new equity derivatives instruments such as structured warrants and over-the-counter options to provide investors with alternative investment avenues.

Transaction Banking comprises Trade Finance and Cash Management which provide various trade facilities and cash management solutions.

Private Banking offers a full suite of wealth management solutions to high net worth individuals with access to a complete range of private banking services, extending from investment to securities financing to trust services.

#### **CIMB Digital Assets & Group Funding (previously known as Group Ventures & Partnerships and Funding)**

CIMB Digital Assets (previously Group Ventures & Partnerships) drives all strategic partnerships across business lines Group-wide and explores strategic equity joint ventures in the ecosystem space. Group Funding encompasses a wide range of activities from capital, balance sheet and fixed income investments and management, as well as the funding and incubation of corporate ventures and projects.

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A30 Segmental reporting (continued)**

<b>The Group</b>	<b>Wholesale Banking</b>	<b>Consumer Banking</b>	<b>Commercial Banking</b>	<b>CIMB Digital Assets &amp; Group Funding</b>	<b>Total</b>
<b>30 September 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net financing income:					
- external	(398,452)	1,289,638	368,247	447,539	1,706,972
- inter-segment	701,385	(448,850)	20,030	(272,565)	-
	302,933	840,788	388,277	174,974	1,706,972
Other operating income	7,073	128,640	52,223	45,645	233,581
Total income	310,006	969,428	440,500	220,619	1,940,553
Overhead expenses	(128,090)	(472,024)	(85,896)	(199,775)	(885,785)
Consist of :					
Depreciation of property, plant and equipment	(33)	-	-	(279)	(312)
Amortisation of intangible assets	(1,142)	(79)	-	(26,880)	(28,101)
Profit/(loss) before allowances	181,916	497,404	354,604	20,844	1,054,768
Expected credit losses written back/(made) on financing, advances and other financing/loans	21,441	(224,657)	(91,782)	(9)	(295,007)
Expected credit losses made for commitments and contingencies	(19,718)	(18,109)	(357)	-	(38,184)
Other expected credit losses (made)/written back	(911)	4	-	(310)	(1,217)
Segment results	182,728	254,642	262,465	20,525	720,360
Taxation					(182,625)
<b>Net profit for the financial period</b>					<b>537,735</b>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A30 Segmental reporting (continued)**

<b>The Group 30 September 2020</b>	<b>Wholesale Banking</b>	<b>Consumer Banking</b>	<b>Commercial Banking</b>	<b>CIMB Digital Assets &amp; Group Funding</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Net financing income:					
- external	(366,623)	933,974	345,523	356,780	1,269,654
- inter-segment	705,389	(393,461)	(3,964)	(307,964)	-
	338,766	540,513	341,559	48,816	1,269,654
Other operating income	39,569	94,457	46,850	82,742	263,618
Total income	378,335	634,970	388,409	131,558	1,533,272
Overhead expenses	(104,729)	(366,381)	(74,889)	(150,816)	(696,815)
Consist of :					
Depreciation of property, plant and equipment	(35)	(739)	-	(343)	(1,117)
Amortisation of intangible assets	(1,605)	(60)	(9)	(4,849)	(6,523)
Profit/(loss) before allowances	273,606	268,589	313,520	(19,258)	836,457
Expected credit losses made on financing, advances and other financing/loans	(9,421)	(294,182)	(6,462)	(22)	(310,087)
Expected credit losses made for commitments and contingencies	(664)	(18,004)	(488)	-	(19,156)
Other expected credit losses made	(320)	(4)	-	(946)	(1,270)
Segment results	263,201	(43,601)	306,570	(20,226)	505,944
Taxation					(112,931)
<b>Net profit for the financial period</b>					<b>393,013</b>

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A30 Segmental reporting (continued)**

<b>The Group</b>	<b>Wholesale Banking</b>	<b>Consumer Banking</b>	<b>Commercial Banking</b>	<b>CIMB Digital Assets &amp; Group Funding</b>	<b>Total</b>
<b>30 September 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Segment assets	33,289,515	61,675,460	15,264,732	10,627,034	120,856,741
Unallocated assets					<u>1,535,663</u>
<b>Total assets</b>					<u><u>122,392,404</u></u>
Segment liabilities	56,750,431	37,018,031	13,124,634	6,905,690	113,798,786
Unallocated liabilities					<u>1,123,813</u>
<b>Total liabilities</b>					<u><u>114,922,599</u></u>
<b>Other segment items</b>					
Capital expenditure	29	2	-	605	636
<b>The Group</b>	<b>Wholesale Banking</b>	<b>Consumer Banking</b>	<b>Commercial Banking</b>	<b>CIMB Digital Assets &amp; Group Funding</b>	<b>Total</b>
<b>31 December 2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Segment assets	32,600,783	57,236,022	14,457,243	11,116,109	115,410,157
Unallocated assets					<u>872,246</u>
<b>Total assets</b>					<u><u>116,282,403</u></u>
Segment liabilities	57,926,268	31,780,767	12,246,536	6,814,012	108,767,583
Unallocated liabilities					<u>482,048</u>
<b>Total liabilities</b>					<u><u>109,249,631</u></u>
<b>Other segment items</b>					
Capital expenditure	103	1,157	-	709	1,969

## PART A - EXPLANATORY NOTES (CONTINUED)

### A31 Fair Value Estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### Determination of fair value and fair value hierarchy

The fair value hierarchy has the following levels:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets and liabilities in active markets; or
- Quoted prices for identical or similar assets and liabilities in non-active markets; or
- Inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - One or more inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Assets/liabilities are classified as Level 1 when the valuation is based on quoted prices for identical assets or liabilities in active markets.

Assets/liabilities are regarded as being quoted in an active market if the prices are readily available from a published and reliable source and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When fair value is determined using quoted prices of similar assets/liabilities in active markets or quoted prices of identical or similar assets and liabilities in non-active markets, such assets/liabilities are classified as Level 2. In cases where quoted prices are generally not available, the Group determines fair value based upon valuation techniques that use market parameters as inputs. Most valuation techniques employ observable market data, including but not limited to yield curves, equity prices, volatilities and foreign exchange rates.

Assets/liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data. Such inputs are determined based on observable inputs of a similar nature, historical observations or other analytical techniques.

If prices or quotes are not available for an instrument or a similar instrument, fair value will be established by using valuation techniques or Mark-to-Model. Judgment may be required to assess the need for valuation adjustments to appropriately reflect unobservable parameters. The valuation models shall also consider relevant transaction data such as maturity. The inputs are then benchmarked and extrapolated to derive the fair value.

#### Valuation Model Review and Approval

- Fair valuation of financial instruments is determined either through Mark-to-Market or Mark-to-Model methodology, as appropriate;
- Market Risk Management is mandated to perform mark-to-market, mark-to-model and rate reasonableness verification. Market price and/or rate sources for Mark-to-Market are validated by Market Risk Management as part and parcel of market data reasonableness verification;
- Valuation methodologies for the purpose of determining Mark-to-Model prices will be verified by Group Risk Management Quantitative Analysts before submitting to the Group Market Risk Committee ("GMRC") for approval;
- Mark-to-Model process shall be carried out by Market Risk Management in accordance with the approved valuation methodologies. Group Risk Management Quantitative analysts are responsible for independent evaluation and validation of the Group's financial models used for valuation;
- Group Risk Management Quantitative analysts are the guardian of the financial models and valuation methodologies. Market rate sources and model inputs for the purpose of Mark-to-Model must be verified by Group Risk Management Quantitative analysts and approved by Regional Head, Market Risk Management and/or the GMRC;
- Model risk and unobservable parameter reserve must be considered to provide for the uncertainty of the model assumptions;
- The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer; and
- Independent price verification process shall be carried out by Market Risk Management to ensure that financial assets and liabilities are recorded at fair value.

**PART A - EXPLANATORY NOTES (CONTINUED)**

**A31 Fair Value Estimation (continued)**

- (i) The following table represents the assets and liabilities measured at fair value and classified by level with the following fair value hierarchy as at 30 September 2021 and 31 December 2020.

<b>The Group and the Bank</b>	<b>30 September 2021</b>		<b>31 December 2020</b>	
	<b>Fair Value</b>		<b>Fair Value</b>	
	<b>(Level 2)</b>	<b>Total</b>	<b>(Level 2)</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<i>Recurring fair value measurements</i>				
<b><u>Financial assets</u></b>				
Financial assets at fair value through profit or loss				
-Money market instruments	<b>6,117,190</b>	<b>6,117,190</b>	4,697,651	4,697,651
-Unquoted securities	<b>818,828</b>	<b>818,828</b>	336,778	336,778
Debt instruments at fair value through other comprehensive income				
-Money market instruments	<b>1,202,422</b>	<b>1,202,422</b>	731,102	731,102
-Unquoted securities	<b>3,373,317</b>	<b>3,373,317</b>	2,939,797	2,939,797
Derivative financial instruments				
-Trading derivatives	<b>320,322</b>	<b>320,322</b>	522,847	522,847
-Hedging derivatives	<b>1,019</b>	<b>1,019</b>	-	-
Financing, advances and other financing/loans at fair value through profit or loss	-	-	197,321	197,321
<b>Total</b>	<b>11,833,098</b>	<b>11,833,098</b>	9,425,496	9,425,496
<i>Recurring fair value measurements</i>				
<b><u>Financial liabilities</u></b>				
Derivative financial instruments				
-Trading derivatives	<b>320,496</b>	<b>320,496</b>	553,908	553,908
-Hedging derivatives	<b>3,812</b>	<b>3,812</b>	3,939	3,939
Financial liabilities designated at fair value through profit or loss	<b>631,241</b>	<b>631,241</b>	71,610	71,610
<b>Total</b>	<b>955,549</b>	<b>955,549</b>	629,457	629,457

## PART B

### B1 Group performance review

The Group recorded a pre-tax profit of RM720.4 million for the financial period ended 30 September 2021, an increase of RM214.4 million or 42.4% compared to the previous corresponding period.

Total income reduced by RM26.5 million or 0.8% to RM3,331.6 million from previous corresponding period, comprising of decreased of income derived from investments of depositors' funds and others, and income derived from investment of investment account by RM260.8 million and RM40.2 million respectively. This was offset with increased of income derived from shareholders fund by RM161.8 million.

For the nine months ended 30 September 2021, the Group recorded net expected credit losses made on financing, advances and other financing/loans of RM295.0 million compared to RM310.1 million in the corresponding period last year. The decrease in net allowance charged was mainly due to lower expected credit losses made on financing by RM7.9 million and it was partly offset with impaired financing recovered of RM6.4 million.

The income attributable to depositors and profit distributed to investment account holder are both decreased by RM388.1 million and RM45.7 million respectively.

The Group's gross financing, advances and other financing/loans increased by 2.1% to RM87.7 billion for the nine months period ended 30 September 2021. As at 30 September 2021, deposits from customers and investment accounts of customers stood at RM96.7 billion and RM7.3 billion, an increase of RM0.4 billion and an increase RM4.6 billion respectively as compared to 31 December 2020.

The Group's Common Equity Tier 1, Tier 1 Capital Ratio and Total Capital Ratio stood at 13.778%, 14.523% and 17.255% respectively.

### B2 Prospects for the current financial year

The Bank is adopting a cautiously optimistic view on business expansion as the economy reopens with anticipated lower number of Covid-19 cases and higher vaccination rates. The Bank will continue to focus on assisting impacted customers with the various financing relief programs while also focusing on credit risk management strategies and managing asset quality across segments. Efforts will continue with our Forward23+ strategies of CASA and investment account growth, RAROC optimisation, growing Preferred Banking & Wealth Management while prudently managing costs with a digital led focus on the areas of operations, payments, sales enablement and acquisition. Financing growth is expected to remain muted and provisions to be under control for the rest of the year. Overall, the Bank expects to record improved financial performance for 2021. The Bank will continue to integrate value based intermediation (VBI) to better drive business decisions based on true costs and benefits to business and our stakeholders.

### B3 Computation of earnings per share (EPS)

#### a) Basic EPS

The Group and Bank basic EPS is calculated by dividing the net profit for the financial period by the weighted average number of ordinary shares in issue during the financial period.

	The Group			
	3rd Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
Net profit for the financial period (RM '000)	102,995	186,418	537,735	393,013
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (expressed in sen per share)	10.30	18.64	53.77	39.30

	The Bank			
	3rd Quarter Ended		Nine Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
Net profit for the financial period (RM '000)	101,606	186,485	536,438	393,199
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	1,000,000
Basic earnings per share (expressed in sen per share)	10.16	18.65	53.64	39.32

#### b) Diluted EPS

There were no dilutive potential ordinary shares outstanding as at 30 September 2021 and 30 September 2020.